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March 14, 2025

Via Electronic Mail

Sarah Bartelmann, MPH
Cost Programs Manager
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421 SW Oak Street, Suite 850
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Re: Community Review Board Public Hearing Follow-up Questions
Transaction 039 – OHSU-Legacy

Dear Oregon Health Authority:

Thank you for the opportunity to provide testimony at the Community Review Board public hearing on March 5, 2025, and for the opportunity to provide additional written responses to questions that we were unable to answer in the public hearing as well as additional questions posed by the CRB during the public hearing. As requested in your March 7, 2025, letter, please see the attached public facing and verified written responses to those questions. We are happy to provide any clarifications about this information as needed.

Thank you again for the opportunity to testify.

Sincerely,

Signed by:

Alice Cuprill Comas

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Alice Cuprill Comas

Executive Vice President for Institutional Affairs and General Counsel

OHSU Response to Community Review Board Public Hearing Follow-up Questions
Transaction 039 – OHSU-Legacy

4. How did OHSU and Legacy engage the community when developing and structuring the proposed transaction? What is the plan for including community engagement in the newly integrated public university health system? Why wasn't there an acknowledgement of historical harms to marginalized communities in the Notice of proposed transaction? Does OHSU have a plan to mitigate further harm to these communities, and if so, what is it?'

14. I would like the group to elaborate on the comment that former president Danny Jacobs and interim president have engaged with community when developing the plan. How and what can they share of what was shared with these engagements. What were the key findings or priorities from these conversations?

This answer is provided in response to question 14 and as additional information and follow-up for question 4.

OHSU has a long history of partnering with community groups. Community service is one of OHSU's public missions, along with health care, education and research. Establishing trust takes years, and community engagement isn't just an activity to accomplish, but rather a long-term commitment. This answer provides a brief history of OHSU's approach to community engagement to inform the community engagement process and outcomes for the integration with Legacy Health.

Recent history of OHSU community engagement and partnership

OHSU partnerships in the healthcare space include the Casey Eye Institute, the OHSU Richmond Clinic, and clinical research programs. These are just a few examples. OHSU faculty in programs like these have a long history of working with community groups to provide care, education, research and advocacy for those who otherwise might not get critical health services, including screenings. These efforts help identify critical gaps in health care for underserved populations and what is needed to close those gaps.

OHSU has also engaged heavily with organizations to grow the population of diverse healthcare providers. For example, OnTrack is a middle and high school program active in Multnomah, Jefferson, Marion and Klamath Counties. Another example is OHSU's Northwest Native American Center of Excellence, which works to sustainably address the health care needs of all people by increasing the number of American Indians and Alaska Natives in the health professions. And the Center for Learner Diversity and Inclusion (CLDI) works with Student Interest Groups and community organizations to recruit and retain underrepresented students in health care careers at OHSU. These collaborations strengthen our understanding of barriers to diversifying the workforce.

COVID brought additional focus on health equity at OHSU. OHSU joined with Legacy Health and others to set up mass vaccination sites but recognized that mass vaccination sites would not work for every patient, many of whom have historically justifiable reasons to distrust health systems. In response, OHSU engaged with community organizations that wanted community

vaccination efforts in safe and trusted spaces. OHSU's faculty and staff, led by OHSU surgeon and faculty member Dr. Donn Spight, worked with community groups to provide vaccination efforts at faith-based organizations, schools, and other community-trusted locations. This effort led to increased vaccination rates for culturally-specific communities. These vaccination events saved lives, underscoring the importance of working directly with community groups to address disparities in health care.

In 2022, OHSU created the Health Equity Organization to specifically address health care disparities using the engagement model used for culturally-specific COVID vaccination efforts. Dr. Spight was appointed Vice President of the Health Equity Organization and convened internal and external advisors to listen to communities across Oregon, collect and analyze data to improve care for everyone, and to provide language access services so all patients can communicate with health care staff.

Community engagement approach to integration with Legacy

When OHSU and Legacy Health decided to combine, leaders and staff from both entities were asked to participate in an internal workgroup focused in part on considering initial and draft health equity commitments and metrics to potentially include in the HCMO filing. Specific commitments can be found in the HCMO metrics labeled "Equity," and one of the proposed metric ideas is community engagement itself.

The HCMO filing was influenced by OHSU and Legacy Health's long histories of engaging with the communities they serve, as well as the community members that serve on their boards and leadership teams. The merger is intended to not only avoid further harm to communities, but to produce tangible benefits for people, most notably improved access to care. Both OHSU and Legacy Health's leaders have met with community groups that represent the Albina community, where Legacy Emanuel is located. Former President Dr. Danny Jacobs and Interim President Steve Stadum have met with community leaders that represent or have strong ties to communities that have been harmed. Both leaders made commitments to continue dialogue with community when future decisions have the potential for significant impacts to communities. Because OHSU is the only public health system in Oregon with unique transparency and accountability, individuals and community organizations will have very tangible direct and indirect ways of engaging in decision-making for the integrated health system.

OHSU and Legacy Health have co-developed an engagement plan to meet with key community leaders and coalitions, many of whom are vocal advocates for community health. OHSU leadership and staff, joined by Legacy Health leaders and staff, met with over 200 people representing over 50 community organizations to discuss, hear thoughts on, and answer questions about the integration. These meetings had different formats, including 1 on 1 meetings with the OHSU President, organizational board and staff meetings, and special events. Most of these meetings included former OHSU President Danny Jacobs or interim President Steve Stadum, and many also included President and Chief Executive Officer Dr. George Brown of Legacy Health and other OHSU leaders. While most groups OHSU met with remained neutral on the issue of the merger, none expressed opposition. Some indicated support for the merger, and several of those have submitted public comments to the OHA to that effect, for example Portland Opportunities Industrialization Center (POIC), Immigrant and

Refugee Community Organization (IRCO), Coalition of African and African American Pastors (CAAAP), and Oregon Health Equity Alliance (OHEA).¹

Outcomes of the meetings between the OHSU President and community leaders included:

- Answering questions specific to the OHSU and Legacy Health combination.
- Establishing a direct communication line between community leaders and OHSU leadership to foster additional collaboration after OHA renders a decision on the HCMO application.
- Discussing unrelated questions about OHSU and/or Legacy Health that arose.

Key findings and priorities from community engagement

The conversations were productive and resulted in key findings and community priorities, including:

- **Trust and accountability:** the engagements reiterated the importance of intentionally hearing from communities before making significant facility and service decisions that could potentially adversely affect underserved communities.
- **Health inequities:** discussion emphasized the need for intentional efforts to address persistent and significant health disparities faced by culturally-specific communities including language barriers, access to insurance, and culturally competent care.
- **Future foundation and community benefit:** community leaders shared excitement for how the foundation could be a catalyst for advancing health equity. Many also expressed strong preference for community-led governance models.
- **Workforce and labor:** the discussions often recognized that hospitals are significant sources of jobs for community members.
- **Cost and access:** the engagement sessions emphasized that access to care and cost of care are both very important to communities.
- **Research:** while the history of medical research includes examples of harm to culturally-specific communities, several leaders recognized the importance of their communities being able to better access life-saving clinical trials and having opportunities to participate in studies of health disparities.

In summary, OHSU has a track record of engaging with community leaders and organizations throughout Oregon. OHSU has specifically committed to working with communities to track the success of the institution's community engagement approach and modify it, as needed, to ensure that communities are heard in important decisions around OHSU's services, facilities and practices. Going forward, OHSU will continue to work towards implementing a community

¹ See POIC public comment at <https://www.oregon.gov/oha/HPA/HP/HCMOPPageDocs/039-Joe-McFerrin-support-letter-OHSU.Legacy.pdf>; IRCO public comment at <https://www.oregon.gov/oha/HPA/HP/HCMOPPageDocs/039-IRCO-030425.pdf>; CAAAP and OHEA comments at <https://www.oregon.gov/oha/HPA/HP/HCMOPPageDocs/039-OHSU-Legacy-Public-Comments.pdf>

engagement approach that is responsive to the unique history, services, and geographic scope of the people served.

Community engagement regarding the foundation

Legacy Health recognizes extensive and continuous community engagement is key to succeeding in moving the dial on social determinants of health, and is responding to the community input it has received thus far regarding the health equity foundation that will be funded at closing. To help gather initial community feedback, Legacy Health engaged The Giving Practice, an independent third-party experienced in philanthropy and community engagement and housed within Philanthropy Northwest. Legacy Health, through The Giving Practice, has been in conversation with a broad cross-section of the community in Oregon and SW Washington representing a wide range of civic leaders, community organizations, and philanthropic funders, including organizations endorsing the Community First effort.

Legacy Health is listening to, learning from, and acting on community feedback. Incorporating community input, Legacy Health has changed the foundation's transition governance structure and composition. Legacy Health and the foundation commit to co-creating future strategies with communities across Oregon and SW Washington in furtherance of OHA's definition of health equity.

6. How will the proposed transaction support current OHSU and Legacy employees in the short-term? How will the employees continue to be supported moving forward? Please describe all support that the integrated public university health system plans to provide, including benefits, retirement package, and compensation for providers, staff, union and non-represented employees. Please describe the transaction's potential impact on the state's Public Employee Retirement System (PERS) program. Will Legacy's employees be eligible for PERS? How will the integrated public university health system decide which Legacy employees will be eligible?

When answering question 6 at the CRB public hearing, the presenter indicated that, given the level of detail required, OHSU would provide a written response regarding supports the integrated health system has committed to for employees, including providers, staff, union employees, and non-represented employees. This response summarizes these supports in full detail.

As noted in the response at the public hearing, OHSU's goal is to center patients in everything we do to achieve the outcomes identified for the integration with Legacy Health, and we cannot do this without our employees. OHSU has a track record and history of excellence in staff recruitment and retention that sets the institution apart from our peers, and this will continue when OHSU combines with Legacy Health. The commitments outlined below aim to provide as much certainty as possible for employees and prioritize services for patients.

Supports for All Employees

The integrated public university health system **does not intend to make any reductions in workforce involving employees in good standing for at least the first six months following closing, absent financial exigency.** In addition, OHSU has made the following commitments to all employees as applicable. These robust supports described below demonstrate the integrated public university health system's commitment to fair and predictable compensation, benefits, and career advancement opportunities for all employees.

- Legacy Health employees will remain employed by the same legal entity at closing.
- Legacy Health employees will remain covered by the terms of their existing collective bargaining agreements, but now as part of the integrated public university health system.
- All Legacy Health employees will retain their benefits, including health insurance, retirement benefits, and seniority at closing to the greatest extent allowed by law.
- All Legacy Health employees will become public employees of the State of Oregon.
- OHSU will honor all Legacy Health collective bargaining agreements.
- OHSU will follow the law in all instances, including the Oregon Hospital Staffing law and with respect to pay equity.
- OHSU will evaluate the feasibility and appropriateness of moving to integrated system-wide employment policies over time, including a single compensation system and employee benefits like health insurance and retirement across all integrated public university health system entities, subject to applicable legal requirements and the terms of collective bargaining agreements. For example, the OHSU Board may consider adding opportunities for employee participation in State of Oregon Public Employee Retirement System benefits.
- To ensure the integrated public university health system can serve the community effectively and sustainably and achieve its goals, there will be new employment opportunities, and some employees may need to be redeployed to a different unit, different location, or different job function. In combining, the system will eliminate duplication and redundancy, which may require workforce reductions in some areas, as is appropriate for any transaction of this size and scope. However, as described above, any workforce reductions will not occur within the first six months following closing.
- Any position eliminations will be reviewed on a case-by-case basis with a focus on prioritizing redeployment elsewhere within the integrated public university health system, rather than elimination. If an employee's job is eliminated, the employee will receive severance in accordance with their employing entity's then-existing severance policies or in accordance with the definitive agreement signed by OHSU and Legacy Health and receive priority consideration for vacancies within the integrated health system.

Additional protections for represented employees are described below.

Supports for Providers

The integrated public university health system will offer providers many more clinical practice settings and opportunities, as well as easier collaboration to serve patients. Providers will be able to enhance the care they are providing to people in Oregon because of this integration.

The legally binding definitive agreement between Legacy Health and OHSU speaks to the following specific formal commitments and structures that will support providers in the integrated health system:

- The integrated public university health system will initially retain all current Legacy Health and OHSU physician and advanced practice provider structures, relationships, and arrangements, subject to any existing separation agreements or arrangements that restrict OHSU from re-hiring certain employees.

- OHSU will provide opportunities for physicians and advanced practice providers to join the OHSU health system as employed faculty, as members of system-sponsored or system-owned provider networks, or as fully independent physicians or advanced practice providers with medical staff privileges at OHSU facilities (including the existing Legacy facilities).
- OHSU will convene a provider steering committee with representatives from the two existing health systems to inform and support integration.

In addition, please see the written response to Community Review Board Question 10 for additional information about how the integration of OHSU and Legacy Health will benefit providers.

Supports for Employees Who Are Members of Unions Party to the Letter of Agreement with Five Major Labor Unions

To further OHSU's goals for the transaction, including supporting superior health outcomes, competitive performance, and establishing OHSU as a preferred employer, OHSU worked with labor partners and has made additional commitments to provide clarity and certainty at the time of closing to frontline health care staff and other employees who are bargaining unit members of AFSCME, ONA, OFNHP, SEIU Local 49, and PNWHMA,² assuming the availability of resources. Together these five major unions currently represent an estimated 14,000 employees at OHSU and Legacy Health combined. The employees included in the agreement include frontline health care workers like nursing assistants, environmental services staff, medical assistants, techs, providers, and nurses. As described in the agreement with labor partners, OHSU is committed to labor neutrality in alignment with both its values and its obligation as a public employer under the Public Employees Collective Bargaining Act (PECBA).

The additional commitments center shared efforts to drive economic prosperity by creating high-quality jobs, building a workforce for today and tomorrow, and advancing racial justice and culturally competent care. Specific commitments include:

- Guaranteed continued employment for at least 12 months following closing. This is an additional 6 months of guaranteed continued employment beyond the commitment to all employees.
- Additional support if layoffs occur between 12 and 24 months after closing, including 6 months' severance, HR support, and retraining opportunities.
- No decreases in current wage rates, premium/differential rates, or benefit contribution amounts or levels to the greatest extent allowed by law.
- Pay equity, ensuring that no later than one year after closing if an employee's base wage rate (i.e. the employee's wage rate without any differential, premium, bonus, or similar addition to the basic wage rate) is lower than the base wage rate of an OHSU employee in the same job classification with the same relevant experience in that job classification, OHSU will increase the former Legacy Health employee's base wage rate to match the OHSU employee.

² The full names of the bargaining units included in the Letter of Agreement are the American Federation of State, County and Municipal Employees Council 75 (AFSCME); Oregon Nurses Association, the American Federation of Teachers Local # 5905 (ONA); Oregon Federation of Nurses and Health Professionals, AFT Local 5017 (OFNHP); the Service Employees International Union Local 49 (SEIU Local 49); and Pacific Northwest Hospital Medicine Association, AFT Local 6552 (PNWHMA).

- Enforcement of discrimination, harassment, and retaliation policies as outlined in current collective bargaining agreements to support and improve the employee culture of the integrated public university system.
- Recognition of diversity, equity, inclusion, and belonging (DEIB) language in current collective bargaining agreements and exploration of a DEIB Labor Management committee to support this work broadly in the integrated public university health system. Implementation of a standardized, scalable, and scaffolded DEIB learning program for all employees to further its institution-wide commitment to and respect for diversity, equity, inclusion, and to achieve greater and even more institution-wide adoption of its diversity and anti-racism commitments in the integrated public university health system.
- Collecting and sharing employee demographic data with the identified bargaining units.

For additional detail and source documents for the information in this response, please refer to:

- Pages 31-33 of OHSU's HCMO Notice (https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/039-OHSU_HCMO-Notice.pdf).
- Pages 12 and 13 of the System Combination Agreement included with the Notice as Supplemental Materials G (<https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/039-SuppMaterials-G-Combination-Agreement.pdf>).
- The Letter of Agreement between Labor Partners and OHSU included with the Notice as Question 13 - Exhibit 1 (<https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/039-HCMO-Notice-Question-13-Exhibit-1.pdf>).

7. For both OHSU and Legacy, what are the current amounts allocated for charity care? What are the current processes for determining resources allocated for charity care? How will the proposed transaction affect charity care spending in the future? Please be specific about how the integrated system will make these decisions about how the funds are spent.

When answering question 7 at the CRB public hearing, the presenter indicated that, given the level of detail required, OHSU would provide a written response to the part of this question regarding the current processes at OHSU and Legacy Health for determining resources allocated for charity care, as well as the future process for allocating charity care resources at the integrated public university health system. This response summarizes the current and future processes in full detail.

Providing care to vulnerable people in Oregon is central to the mission and values of both OHSU and Legacy Health. Separately, OHSU and Legacy Health serve a larger proportion of Medicaid patients than other health systems in the region. Serving people who are vulnerable, including Medicaid patients, will continue to be core to the mission of the integrated public university health system. These values guide the work of both OHSU and Legacy Health in carrying out Oregon law with respect to providing charity care for patients.

Oregon law dictates the process that all hospitals in Oregon must follow to determine and provide charity care to patients. **OHSU and Legacy Health follow the law now, and the integrated public university health system will also follow the law.**

Oregon's charity care law, which was updated by the Legislature in 2023 through passage of HB 3320, defines what charity care is, what community benefit is, and establishes other related state-mandated rules and policies, including the processes OHSU and Legacy Health must use

to determine the charity care resources to provide to patients. OHSU supported adoption of HB 3320 as well as the precursor legislation establishing charity care policies in state law, and at the time the legislation was adopted, OHSU's financial assistance policies were touted as the model for Oregon.

Under this law, Oregon defines "charity care" as, "free or discounted health services provided to persons who cannot afford to pay and from whom a hospital has no expectation of payment. 'Charity care' does not include bad debt, contractual allowances or discounts for quick payment."³ The law currently obligates both OHSU and Legacy Health to provide free or discounted health services to patients who cannot afford to pay.

Both OHSU and Legacy Health follow the charity care requirements as laid out in the law, consistent with the methodology set forth in law and will continue to do so. Before sending a patient a bill for services, OHSU and Legacy Health screen the individual patient for financial assistance eligibility if a patient is uninsured, enrolled in the state medical assistance program, or owes more than \$500 to the health system. When the patient's income and household size fall under certain thresholds as defined by state and federal guidelines, a patient's personal costs are reduced or eliminated. In calendar 2024, OHSU provided about \$80 million in charity care. Legacy Health provided an estimated \$41 million in charity care from April 1, 2023, through March 31, 2024.

The integrated system will follow the same process for determining financial assistance eligibility and thus charity care spending.

8. Describe the current staffing by specialty at OHSU and Legacy. According to the Notice, Legacy is not able to fully staff and utilize their inpatient and operating room capacity. Why? Please describe in detail how the proposed acquisition will increase staffing to enable the use of Legacy's unused bed and operating room capacity. How does OHSU have more hiring power than Legacy?

Oregon has a significant shortage of health care workers, and lack of sufficient staffing drives some of the capacity issues at OHSU and Legacy Health. As described in the HCMO Notice, OHSU is severely capacity-constrained and consistently lacks acute care beds. Meanwhile, Legacy Health has unused bed capacity. The integration will allow the combined health system to better utilize existing capacity, recruit and retain more health care professionals, and expand OHSU's academic footprint to increase education and training opportunities for health care professionals.

Capacity and Staffing at OHSU

OHSU's capacity constraints are a result of the significant demand OHSU faces as the state's only academic health center. OHSU consistently lacks available acute care beds in part because it provides complex specialty care that is not available at other hospitals in the region. OHSU sees a high volume of patients from all across the region who need the scarce tertiary and quaternary services OHSU provides. These complex cases, which require intensive care, put pressure on OHSU's inpatient bed capacity. These capacity challenges are not limited to the inpatient setting. OHSU's unique specialty and subspecialty practices have months-long wait times for new patient appointments, and many OHSU primary care providers' patient panels are full and closed to new patients.

³ ORS 442.601

OHSU wants to improve and expand primary and secondary care without sacrificing the critical higher acuity care it currently provides. This requires expansion of OHSU's clinician training programs to meet the community's care needs, but expanding clinical education is also limited without additional capacity.

Capacity and Staffing at Legacy Health

While OHSU is challenged by capacity constraints, Legacy Health is challenged by underutilization of its capacity. As noted in our original filing, Legacy Health's existing facilities are not fully utilized. There are three primary factors that are driving Legacy Health's underutilization of capacity, which we define as unused built beds: (a) seasonal fluctuations in healthcare demand across the system, (b) excess capacity at specific hospitals, and (c) a lack of staff and providers in specialty roles.

In the most recent full fiscal year (April 2023 – March 2024) Legacy Health utilized approximately 84% of its total adult hospital capacity. However, utilization rates fluctuate seasonally. During typical winter months, when respiratory viruses drive inpatient admissions, most Legacy Health hospitals run near 100% capacity, with a few exceptions. During non-peak respiratory season, use of capacity can dip below 80%.

Geographically, Legacy Health's unused capacity is concentrated closer to downtown. This excess capacity has developed over time as Legacy Health has centralized some tertiary care services to Emanuel Hospital and care has shifted from the inpatient setting to the outpatient setting, which is less costly to patients, including area ambulatory surgery centers. Good Samaritan underutilized capacity includes critical care and medical/surgical beds, which were running at 40% capacity and 74% capacity respectively in FY24. Legacy Silverton Medical, a small facility in suburban/rural Marion County, operates at 60% medical/surgical capacity annually.

Finally, Legacy Health has underutilized facility capacity in some of its procedural units. This is due to a lack of staff and/or physicians. For example, like many hospitals across the region and nation, Legacy Health has significant shortages of specialized operating room staff and anesthesiologists. This results in Legacy Health not being able to utilize some operating and other procedural rooms every day.

While Legacy Health has recently been able to hire and retain additional nursing and physician staff, looking forward, full utilization of Legacy Health's built capacity will require Legacy Health to (a) direct care for patients to facilities with excess capacity, especially at Legacy Health's downtown facilities and (b) recruit and retain more providers, especially the specialists and subspecialists necessary to staff Legacy Health's procedural units. This transaction will enable Legacy Health facilities to achieve both these goals, as described below.

Legacy Health remains an attractive employer. Legacy has had particular success improving nursing retention. However, staffing remains an impediment to fully utilizing certain procedural units. Legacy Health has a specific need for additional specialists, including in radiology, urology, cardiology, interventional cardiology, neurosurgery, and obstetrics. Maximizing the usage of all of Legacy Health's built capacity will require Legacy Health to (a) drive patient volumes to facilities with excess capacity, especially at Good Samaritan Medical Center and (b) recruit and retain more providers, especially the specialists and subspecialists necessary to staff Legacy Health's procedural units. This transaction will enable Legacy Health facilities to achieve both these goals, as described below.

Finally, since this question requested information about OHSU and Legacy Health staffing by specialty, please see attached for reports showing the number of credentialed and board-certified practitioners by specialty at OHSU and Legacy Health facilities respectively. The OHSU report includes credentialed clinicians who have privileges to provide care at wholly owned OHSU facilities. The Legacy Health report includes credentialed clinicians who have privileges to provide care at Legacy Health facilities located in Oregon.

Benefits of the Proposed Integration

The integrated public health system will be able to address the issues that OHSU and Legacy Health face today. The integration will allow OHSU to utilize the excess capacity at Legacy Health's underutilized facilities to care for patients, bringing new patient volumes to these facilities and freeing up capacity on OHSU's campus to provide scarce tertiary and quaternary services. Legacy Health also will benefit from OHSU's ability to recruit specialty providers, enhancing the combined system's ability to staff Legacy Health's built but unstaffed capacity.

Additionally, the proposed integration will provide significant investments in facilities and workforce training that will improve recruitment and retention across the combined system:

- **Investment in facilities and technology:** The capital investments in facilities and technology will be a major draw for recruiting clinicians. This will provide a more modern workplace and create a more seamless administrative environment with fewer hurdles that can affect care delivery.
- **Expanded clinical education opportunities:** The integration will provide OHSU with additional sites of care and an expanded academic footprint to support additional educational opportunities and provide additional post-training practice settings within OHSU. This will allow OHSU to offer jobs to more of the health care professionals it trains. Additionally, having trainees can be crucial for the sustainability of certain specialty practices and will help the combined system recruit specialists and primary care providers. It will also provide existing Legacy trainees better access to the complex care that OHSU provides, allowing improvements in education across the broader system.
- **Training for professional development:** The integrated public university health system also will partner with labor organizations to invest in workforce training and development, culturally competency training, and support for quality jobs for current health care staff and for those interested in becoming caregivers.

These investments will not be limited to clinician recruitment but will apply to recruitment and retention of the whole care team.

Lastly, the integration will allow OHSU and Legacy Health to improve efficiency and utilization rates in their hospitals. Expanding OHSU's demonstrated expertise in using a "mission control" system across the fully integrated system will increase throughput, improve predictability of needs across the system, organize subspecialty care, improve continuity of care and reduce hand-offs and hassles for patients, and increase overall efficiency. The result will be shorter wait times for inpatient beds, primary care, specialty care, and surgeries/procedures, as well as fewer duplicative administrative steps for patients and providers.

9. How will OHSU be capable of taking on both \$1 billion of debt and the integration with Legacy given the ongoing and past OHSU leadership changes and financial instability?

OHSU leadership, past and present, is fully committed to the integration of OHSU and Legacy Health. Creating the integrated public university health system is a once-in-a-generation opportunity to improve the status quo of health care in Oregon and ensure continued local control of major Oregon health care systems. Significant thought, planning, and work went into the decision to enter into this integration and commit to the \$1 billion capital investment, which is needed to improve existing Legacy Health facilities and continue Legacy Health's role as the region's safety net provider.

OHSU has significant borrowing capacity and an AAA- credit rating. OHSU has taken steps needed to ensure the institution is ready to take on the significant debt needed to invest in Legacy Health's facilities. OHSU's credit rating is due to its strong clinical, academic, and research capabilities, and to its important role as the only academic medical center in Oregon. These factors mean that OHSU plays a unique role in Oregon and in the larger region. Patients depend on OHSU for great health care; this is true across OHSU's missions and helps to ensure a strong credit rating. To ensure OHSU is ready to take on the \$1 billion commitment, the leadership considered the strong credit rating the institution has built and considered the institution's debt portfolio as a whole.

The \$1 billion financial commitment will be financed over ten years, mostly through bond offerings. While this is a substantial financial undertaking, the investment will grow the capacity of the integrated public university health system and increase our financial stability in the long run. Legacy Health is coming into OHSU with a stable rating by Moody's in part in anticipation of this transaction, which will support the combined organization's ability to issue new debt. After the combination, OHSU's net assets will increase from \$4 billion to over \$5.5 billion. The integrated public university health system does project short-term operational losses through 2028 (most of which are driven by factors other than the combination), but these losses are offset by an increase in the integrated public university health system's net worth following the combination.

OHSU's leadership team is committed to accountability, transparency, and fulfilling the institution's mission, which includes a commitment to a vision of delivering excellent and accessible health care for all people. OHSU prides itself in the commitment of its 20,000 employees across the institution who deliver outstanding care, discovery, and education. Members of OHSU's senior leadership team have decades of experience in healthcare and healthcare administration, with combined service at OHSU of more than 50 years. The integration of OHSU and Legacy Health is a necessary step to fulfill this vision, and this is why OHSU has committed to invest \$1 billion in the combined system.

10. Please describe the proposed transaction's expected impacts for both Legacy and OHSU provider groups, as well as independent provider groups in the Portland metropolitan area.

The legally binding agreement between OHSU and Legacy Health speaks to two specific formal structures that support providers.

First, the integrated public university health system will convene a provider steering committee with representatives from both OHSU and Legacy Health. This comprehensive committee will

drive provider governance decisions and resolve important questions regarding compensation, training, and other emerging issues that providers want to escalate once the systems are combined.

Second, the integrated system will provide opportunities for physicians and advanced practice providers who are at Legacy Health today to join the OHSU health system in a variety of roles. These include roles as employed faculty, as members of the system's provider networks, or as fully independent physicians or advanced practice providers with medical staff privileges at OHSU facilities. This is an important way in which OHSU is working to make sure that Legacy Health providers benefit from the integration.

When it comes to independent medical practitioners, both OHSU and Legacy Health firmly believe these groups are vitally important to the functioning of our health systems and to our community. Both organizations have a long history of collaboration with clinician groups not employed by OHSU or Legacy Health. The new, integrated system will maintain and enhance OHSU and Legacy Health's existing networks of community-based independent clinicians and facilities because it is a key way to expand access and health equity.

Since OHSU and Legacy Health currently remain independent organizations, it is not yet possible to make concrete plans for how employed and non-employed providers will operate in the long term. However, OHSU has committed that on Day 1 after closing, there will be no change to the current contracts OHSU and Legacy Health have with community clinicians and facilities.

Finally, OHSU and Legacy Health have committed to engaging providers, including both employed and independent providers, throughout the integration process to make sure they have a chance to ask questions and have their voices heard. To date, Dr. Nathan Selden, Dean of the School of Medicine at OHSU, and Dr. George Brown, CEO at Legacy Health, have together held about 15 of these engagement sessions across OHSU and Legacy Health locations, and have focused on providing information, answering questions, and ensuring that OHSU and Legacy Health follow up with clear communication. Many providers at the sessions express tremendous optimism about the opportunity for the integration to solve some of the problems they face. Some providers also express fears and worries about the unknown, which is to be expected since integrating will be a big change. Hearing the full range of reactions and questions within both organizations continues to be a priority for leadership because the direct feedback will help inform the next phases of transition and integration management.

At the end of the day, the integrated public university health system cannot meet its goals to improve access, health equity, and quality without the excellent care teams OHSU and Legacy Health have today, including faculty and employed providers as well as independent providers. Supporting employees is mission critical for patients and for the community and this will continue to be a top priority.

11. How would Legacy's religious affiliation change post-acquisition?

Legacy Health does not have a religious affiliation today, and the integration will not change this.

Although Legacy Health traces its origins to Good Samaritan Hospital, founded by Episcopal Diocese of Oregon in 1875, and Emanuel Hospital, founded by the Lutheran Church in 1912, Legacy Health transitioned into a secular health care system in 1989. Although Legacy Health is

a secular organization, its 18-member Board of Directors currently includes 4 members representing religious organizations — two representatives of the Lutheran Synod of Oregon and two representatives of the Episcopal Diocese of Oregon. As a result of the transaction, Legacy Health will be governed by OHSU's Board of Directors, who are appointed by the Governor and confirmed by the Oregon Senate, and accountable to all Oregonians.

While neither OHSU nor Legacy Health have a religious affiliation, both are mission-driven organizations committed to improving the health and well-being of Oregonians. OHSU will continue and strengthen Legacy Health's mission to provide "Good health for our people, our patients, our communities and our world." OHSU has a statutory mandate to serve the people of Oregon, and the combined entity will provide the best care possible to all patients and improve the health of local communities, including the most vulnerable communities as articulated in state law. Consistent with their missions, OHSU and Legacy Health serve a significant number of un- and under-insured patients today, and a key goal of the transaction is to support the long-term sustainability of Legacy Health to ensure that medically underserved populations continue to have access to health care providers. Further, the combined system will be accountable to the public, and the community can track and ensure that OHSU delivers on its mission and these commitments.

12. OHSU and Legacy both separately hold 25% ownership of Life Flight. What will the proposed acquisition mean for Life Flight? Please describe impacts related to Life Flight's organization, Board composition, negotiations with insurance plans, and costs for patients.

OHSU and Legacy Health believe the transaction will support long-term sustainability of Life Flight Network, LLC ("Life Flight") but, otherwise, do not expect any impacts from the integration on Life Flight and the patients served by Life Flight.

As background, Life Flight is an air medical transport service equally owned by OHSU, Legacy Health, Saint Alphonsus Regional Medical Center, and Providence Health; each with 25% ownership. As a result of the transaction, OHSU will indirectly hold Legacy Health's 25% interest in Life Flight Network. At this time, the Life Flight Network partners have not engaged in meaningful discussions about the impact of the OHSU-Legacy Health integration on Life Flight's operations but expect minimal, if any, changes.

The integrated public university health system will continue to partner with Saint Alphonsus and Providence in the operation of Life Flight. The partnership among these health systems supports the viability and quality of Life Flight's services, and nothing about the OHSU-Legacy Health integration is expected to change that. Indeed, by supporting the long-term sustainability of Legacy Health, the transaction also will support the sustainability of Life Flight.

OHSU and Legacy Health do not expect that patients will experience any changes with respect to Life Flight as a result of the transaction. Pursuant to its Operating Agreement, Life Flight is required to promote access to quality medical air ambulance and transport services, offer cost-efficient services, and provide services to Medicare and Medicaid patients on a non-discriminatory basis at all times. The company is also required to have a charity care policy to make care available regardless of the patient's ability to pay. The integrated public university health system aims to expand access to high quality health care services, and Life Flight is no exception.

13. How will the proposed transaction affect negotiations with insurers? How will the integrated public university health system negotiate with insurers? Please describe how this process will impact patients and access to services.

The integrated public health system will approach negotiations with insurers in a collaborative manner and putting patient access at the forefront. OHSU and Legacy Health believe that it is essential that people understand that this integration will not decrease their access to care nor force them to find another provider because of changes to in-network status. The integrated public health system will maintain all payer contracts at the time of closing and will work with commercial payers to ensure that their members maintain access to all of the facilities and providers of the integrated public university health system.

Furthermore, through the integration, OHSU and Legacy Health intend to enhance and accelerate their ability to engage in a broad range of value-based contracting for the benefit of payers, patients, and the integrated public university health system. Specific plans for payer contracts will be determined during operational integration planning.

The integrated public university health system also will continue to serve patients with government sponsored insurance. As a public entity accountable to the state, OHSU is statutorily mandated to provide health care to the underserved patient populations of Oregon. Legacy Health currently serves a large Medicaid population as well. Serving Medicaid patients will continue to be a core priority for, and responsibility of, the now larger integrated public university health system. It is a primary objective for both OHSU and Legacy Health to ensure that Medicaid patients continue to have access to all OHSU and Legacy Health facilities and providers, despite the financial challenges facing OHSU and Legacy Health. The integrated public university health system will prioritize remaining the state's most important provider of services to Oregon's Medicaid population. Beyond Medicaid, the integrated system will continue to provide services for patients with other government sponsored insurance, such as Medicare.

As expressed in response to other questions during the Community Review Board Public Hearing, OHSU and Legacy Health are pursuing this integration to expand access to high quality health care for the people of Oregon. With that in mind, the integrated public university health system is committed to collaborative negotiations with health plans that put patient access at the forefront.

14. Is Medicaid reimbursement the same at both Children's Hospitals? (It was mentioned that Legacy would look to the State to increase its Medicaid reimbursement if the transaction did not go through.)

Medicaid reimbursement rates for care at OHSU Doernbecher Children's Hospital and Legacy Randall Children's Hospital are likely different, although due to Federal legal limitations, OHSU and Legacy Health do not know how much difference there is between the rates. With regards to Medicaid reimbursement paid through a Coordinated Care Organization those reimbursement rates are generally negotiated rates and are not shared with other health care providers. As a result, OHSU and Legacy Health do not have information about one another's Medicaid reimbursement negotiated rates.

During the public hearing, a representative of Legacy Health stated that Randall Children's Hospital receives Medicaid reimbursement lower than national and regional peers. This statement was based on general information about Medicaid reimbursements in nearby states,

rather than specific reimbursements to OHSU and Legacy Health for services provided at the two children's hospitals.

Attachment Referenced in Response to Question 8: Staffing by Specialty**OHSU Licensed and Credentialed Clinicians at Wholly Owned OHSU Facilities**

Specialty	# of Practitioners
Acupuncture	4
Acute Care Nurse Practitioner	19
Addiction Medicine	6
Adult Nurse Practitioner	18
Adult-Gerontology Acute Care Nurse Practitioner	57
Adult-Gerontology Primary Care Nurse Practitioner	6
Advanced Heart Failure and Transplant Cardiology	6
Allergy And Immunology	11
Anatomic and Clinical Pathology	33
Anesthesiology	101
Cardiovascular Diseases	29
Child and Adolescent Psychiatry	16
Clinical Cardiac Electrophysiology	7
Clinical Genetics and Genomics	9
Colon and Rectal Surgery	4
Congenital Cardiac Surgery	1
Cornea and External Diseases Specialist	4
Counselor - Mental Health	1
Critical Care Medicine	14
Dentist - Endodontics	1
Dentist - General Practice	7
Dentist - Oral and Maxillofacial Pathology	1
Dentist - Periodontics	1
Dermatology	25
Dermatopathology	1
Diagnostic Radiology	97
Emergency Medicine	72
Endocrinology, Diabetes and Metabolism	26
Epilepsy	2
Family Medicine	137
Family Nurse Practitioner	129
Foot & Ankle Surgery	4
Forensic Psychiatry	1
Gastroenterology	26
Geriatric Medicine	6
Geriatric Psychiatry	2
Glaucoma Specialist	6
Gynecologic Oncology	5
Hand Surgery	6
Head & Neck Surgery	7

Hematology	23
Hematopathology	2
Hospice & Palliative Medicine	10
Hospitalist	90
Infectious Disease	23
Internal Medicine	61
Interventional Cardiology	8
Interventional Radiology	24
Licensed Clinical Social Worker	70
Licensed Professional Counselor	8
Marriage & Family Therapist	4
Maternal and Fetal Medicine	21
Medical Oncology	48
Medical Toxicology	3
MOHS-Micrographic Surgery	3
Molecular Genetic Pathology	2
Naturopathic Medicine	5
Neonatal Nurse Practitioner	20
Neonatal-Perinatal Medicine	29
Nephrology	20
Neurocritical Care	3
Neurological Surgery	20
Neurology	65
Neurology with Special Qualifications in Child Neurology	11
Neuromuscular Medicine	1
Neuro-ophthalmology	3
Neuropathology	2
Neuropsychology	7
Neuroradiology	7
Nuclear Medicine	4
Nurse Anesthetist	94
Nurse Midwife	32
Obstetrics & Gynecology	50
Ophthalmic Plastic and Reconstructive Surgery	5
Ophthalmology	46
Optometry	13
Oral Maxillofacial Surgery	6
Orthodontics & Dentofacial Orthopedics	2
Orthopedic Surgery	18
Orthopedic Surgery of the Spine	4
Otolaryngology	24
Pain Management	7
Pediatric Anesthesiology	27
Pediatric Cardiology	18
Pediatric Critical Care Medicine	19

Pediatric Dentistry	5
Pediatric Dermatology	3
Pediatric Emergency Medicine	5
Pediatric Endocrinology	9
Pediatric Gastroenterology	18
Pediatric Hematology-Oncology	16
Pediatric Hospital Medicine	7
Pediatric Infectious Diseases	8
Pediatric Nephrology	11
Pediatric Neurodevelopmental Disabilities	12
Pediatric Neurological Surgery	4
Pediatric Nurse Practitioner	36
Pediatric Nurse Practitioner - Acute Care	9
Pediatric Ophthalmology and Strabismus Specialist	6
Pediatric Orthopedic Surgery	9
Pediatric Otolaryngology	2
Pediatric Pulmonology	5
Pediatric Rehabilitation Medicine	1
Pediatric Rheumatology	2
Pediatric Surgery	10
Pediatric Urology	4
Pediatrics	67
Pharmacist	74
Physical Medicine and Rehabilitation	7
Physician Associate	268
Plastic & Reconstructive Surgery	10
Psychiatric & Mental Health NP	5
Psychiatry	43
Psychology - Clinical	62
Pulmonary Disease	30
Radiation Oncology	15
Reproductive Endocrinology and Infertility	7
Retina Specialist	15
Rheumatology	16
Sleep Medicine	3
Sports Medicine	7
Surgery (General Surgery)	24
Surgical Assistant	2
Surgical Critical Care	6
Surgical Oncology	12
Thoracic and Cardiac Surgery	16
Transplant Surgery	6
Trauma Surgery	12
Urogynecology and Reconstructive Pelvic Surgery	4
Urology	21

Uveitis and Ocular Inflammatory Disease	1
Vascular Neurology	1
Vascular Surgery	11
Women's Health Care NP	2

Legacy Health Licensed and Credentialed Clinicians at Legacy Health Facilities Located in Oregon

Specialty	Count
Acupuncture	3
Acute Care Nurse Practitioner	4
Adult Nurse Practitioner	23
Allergy & Immunology	4
Anatomic Pathology & Clinical Pathology	18
Anesthesiology	124
Cardiovascular Disease	27
Certified Surgical Technologist	3
Child & Adolescent Psychiatry	13
Child Abuse	10
Clinical Cardiac Electrophysiology	5
Clinical Genetics and Genomics	1
Clinical Nurse Specialist	3
Clinical Psychology	2
Colon & Rectal Surgery	15
Critical Care Medicine (Anesthesiology)	3
Critical Care Medicine (Internal Medicine)	17
Dentistry	2
Dermatology	26
Developmental – Behavioral Pediatrics	1
Diagnostic Radiology	53
Emergency Medicine	85
Endocrinology, Diabetes & Metabolism	7
Family Nurse Practitioner	103
Family Practice	136
Female Pelvic Medicine and Reconstructive Surgery	3
Gastroenterology (Internal Medicine)	54
General Surgery	71
Geriatric Medicine (Family Medicine)	1
Geriatric Medicine (Internal Medicine)	6
Geriatric Psychiatry	2
Gerontology Nurse Practitioner	5
Gynecologic Oncology	14
Gynecology	5
Hand Surgery (Orthopedic)	4
Hand Surgery (Plastic Surgery)	2
Hematology & Oncology	14
Hematology (Internal Medicine)	5
Hospice & Palliative Medicine	1
Hospice & Palliative Medicine (Family Medicine)	1
Hospice & Palliative Medicine (Internal Medicine)	5
Infectious Disease	9
Internal Medicine	260

Interventional Cardiology	8
Interventional Radiology and Diagnostic Radiology	24
Maternal & Fetal Medicine	28
Medical Genetics	2
Medical Oncology	11
Midwife, Certified Nurse	77
Neonatal - Perinatal Medicine	20
Neonatal Nurse Practitioner	17
Nephrology (Internal Medicine)	26
Neurodevelopmental Disabilities (Pediatrics)	1
Neurological Surgery	35
Neurology (Psychiatry & Neurology)	100
Neurology with Special Qualifications in Child Neurology	4
Neuromusculoskeletal Medicine	3
Neuropsychology	3
Neuroradiology	1
Nurse Anesthetist, Certified Registered	35
Nurse Practitioner	31
Obstetrics & Gynecology	149
Oncology	1
Ophthalmology	71
Oral & Maxillofacial Surgery (Dentist)	20
Orthopedic Surgery	78
Otolaryngology	49
Pain Medicine (Anesthesiology)	5
Pain Medicine (Physical Medicine & Rehabilitation)	1
Pain Medicine (Psychiatry & Neurology)	1
Pathology	1
Pediatric Anesthesiology	2
Pediatric Cardiology	4
Pediatric Critical Care Medicine	13
Pediatric Dentistry	18
Pediatric Dermatology	2
Pediatric Emergency Medicine (Emergency Medicine)	1
Pediatric Emergency Medicine (Pediatrics)	11
Pediatric Endocrinology	7
Pediatric Gastroenterology	7
Pediatric Hematology - Oncology	5
Pediatric Infectious Diseases	3
Pediatric Nephrology	3
Pediatric Nurse Practitioner	45
Pediatric Ophthalmology	1
Pediatric Otolaryngology	1
Pediatric Pulmonology	1
Pediatric Rehabilitation Medicine	3
Pediatric Rheumatology	3
Pediatric Surgery	10

Pediatric Urology	5
Pediatrics	204
Physical Medicine & Rehabilitation	11
Physician Assistant	278
Plastic Surgery	33
Podiatry	51
Preventive Medicine	1
Psychiatric/Mental Health Nurse Practitioner	41
Psychiatry	60
Psychiatry & Neurology	1
Psychology	29
Pulmonary Disease	35
Radiation Oncology	10
Registered Nurse	2
Registered Nurse First Assistant	10
Reproductive Endocrinology	5
Rheumatology	8
Sleep Medicine	1
Sleep Medicine (Internal Medicine)	7
Sleep Medicine (Psychiatry & Neurology)	3
Sports Medicine (Emergency Medicine)	1
Sports Medicine (Family Medicine)	2
Sports Medicine (Physical Medicine & Rehabilitation)	1
Surgical Critical Care	11
Thoracic Surgery (Cardiothoracic Vascular Surgery)	10
Undersea & Hyperbaric Medicine (Emergency Medicine)	2
Urgent Care	2
Urology	30
Vascular Neurology	1
Vascular Surgery	5

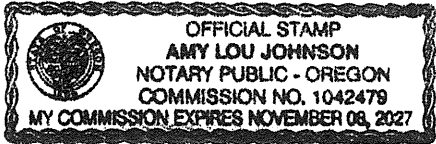


VERIFICATION

THE STATE OF OREGON)

COUNTY OF MULTNOMAH)

SUBSCRIBED AND SWORN TO before me, this 14 day of March, 2025 by
Alice Cuprill Comas, on behalf of Oregon Health & Science University.



Amy Lou Johnson

Notary Public in and for State of Oregon

My Commission Expires: 11/08/2027

Document Description

This certificate is attached to page 22 of a OHSU Response (title or type of document), dated March 14, 2025, consisting of 22 pages.